

# **EXHIBIT B-1**

STATEMENT OF ACCOUNT

**RAY QUINNEY & NEBEKER**

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

POST OFFICE BOX 45385

SALT LAKE CITY, UTAH 84145-0385

TELEPHONE (801) 532-1500

FACSIMILE NO. (801) 532-7543

FEDERAL TAX ID NO. 87-0350651

Debtor USA Commercial Mortgage Co., et al.  
Thomas J. Allison 4484 South Pecos Road  
Las Vegas, NV 89121

August 10, 2006  
Invoice No. \*\*\*\*\*

For Legal Services Rendered Through May 31, 2006

**Matter No. 34585-00001**

**Case Administration**

05/01/06 A Jarvis	2.40	Review objections to cash management motion; research and draft response; correspondence with Mesirow regarding preparation of information to present at hearing.
05/01/06 A Jarvis	.50	Respond to inquiries from investors.
05/01/06 A Jarvis	13.50	Review objections to cash management order; research issues, prepare reply brief and draft declaration in support of reply; prepare for hearing on cash management motion; review pleadings and car loan.
05/01/06 L Jenkins	2.30	Read cases for cash management, motion to hold funds.
05/01/06 L Jenkins	4.90	Read cases for analogous proposition of receivers or trustee's fees being paid from funds held and related cases.
05/01/06 L Jenkins	3.10	Draft sections of cash management brief relating to surcharging for fees and "true participation" vs. "loan" issue.

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05/01/06 S Strong	11.70 Review emails from L. A. Jenkins with research findings for brief in support of holding and using cash (0.2); exchange emails with A. W. Jarvis and L. A. Jenkins regarding receivership analogies for same (0.2); confer with B. J. Kotter regarding same (0.1); confer with L. A. Jenkins regarding additional research for same (0.2); telephone conference with S. Smith regarding development of draft supplemental declaration for T. Allison for same (0.1); work on revisions to supplemental declaration of T. Allison (0.5); telephone conference with M. Kehl and S. Smith regarding supplemental declaration and related strategies and issues (1.0); confer with A. W. Jarvis regarding strategies for 5/3/06 hearing and brief (0.3); further analysis for and revisions to declaration (0.7); telephone conference with S. Smith regarding loan servicing fee calculations (0.2); confer with A. W. Jarvis regarding same (0.1); telephone conference with S. Smith regarding further issues concerning cash budget (0.3); further analysis for and revisions to supplemental declaration of T. Allison in support of cash motion (3.1), and circulate same for review by Mesirow team (0.1); telephone conference with S. Smith regarding new objections to cash motion (0.2); telephone conference with M. Kehl regarding new objections filed to cash motion (0.1); analysis of all objections filed to cash motion (1.1); confer with L. A. Jenkins regarding legal research in support of debtors brief for 5/3/06 hearings (0.3); meet with A. W. Jarvis, L. A. Jenkins, and B. J. Kotter regarding coordination of further efforts in researching issues for debtors briefs to be filed for 5/3/06 and 5/18/06 hearings (0.3); draft sections of brief to reply to objections to cash motion (2.6).
05/01/06 C Hurst	.80 Receipt of PDF documents; forward for filing (.2); follow-up with mailing labels for US Trustee (.6).
05/01/06 P Paralegal	5.90 Print Pacer documents and organize bankruptcy files.

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05/02/06 A Jarvis	2.50	Meeting with US Trustee regarding information requested, case management.
05/02/06 A Jarvis	13.50	Meeting with T. Allison regarding responses to objections to cash management motion; prepare reply brief and declaration of T. Allison for filing with court; revise and comment on budget; discuss budget with Mesirow personnel; gather and prepare for hearing; meeting with T. Allison regarding potential testimony; review objections and prepare arguments.
05/02/06 L Jenkins	.40	Conference with S. Strong regarding status of motions and response.
05/02/06 L Jenkins	.20	Telephone conference with A. Jarvis regarding work on "maintaining cash" issue.
05/02/06 L Jenkins	.30	Conference with S. Strong to discuss issues for status quo motion to hold cash.
05/02/06 L Jenkins	1.70	Read cases and draft motion to maintain status quo and hold cash.
05/02/06 L Jenkins	.30	Conference with S. Strong regarding discussion of theories for motion to hold cash.
05/02/06 L Jenkins	3.00	Draft motion to maintain status quo and hold cash.
05/02/06 S Strong	14.60	Continue analysis of numerous objections to motion for use of cash, drafting sections of reply brief regarding same, and assisting A. W. Jarvis in preparing other sections of reply brief (3.6); review voice messages from A. W. Jarvis regarding final issues for reply regarding use of cash (0.1); revise and finalize Declaration in support (1.3); Telephone conference with M. Kehl regarding declaration and reply brief (0.2); Telephone conference with A. W. Jarvis regarding addition edits (0.2); review draft of budget from M. Kehl (0.2); Telephone conference with M. Kehl regarding servicing fee calculations and other cash flows (0.3); confer with D. M. Monson and

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S. H. Clark regarding same (0.3); Telephone conference with A. W. Jarvis regarding same (0.2); revise cash usage brief (2.7); confer with B. J. Kotter regarding powers of attorney and automatic stay issues for cash usage brief, and review email from him regarding same (0.2); make final edits to Reply, and send to local counsel for filing (0.3); review and analyze late objections filed today to cash usage motion, and related papers, and forward same to A. W. Jarvis for hearing preparations (0.6); conferences with L. Jenkins regarding status of and strategies for motion to hold cash (0.3); telephone conference with A. Jarvis regarding revised outline for motion to hold cash (0.4); confer with S. Tingey regarding legal issues concerning servicing fees for motion to hold cash (0.3); analysis for and drafting of motion to hold cash (3.3); circulate draft with comments to A. Jarvis and Mesirow team (0.1).

05/02/06 C Hurst	1.00	Follow-up on organization, indexing of incoming pleadings; review label documents for US Trustee; work on same.
05/02/06 P Paralegal	6.70	Print Pacer documents and organize bankruptcy files.
05/03/06 A Jarvis	8.00	Prepare for hearings; attend and argue at hearings on cash management motion, joint administration, and payment of employees; presentation of testimony at hearing.
05/03/06 A Jarvis	.50	Telephone conference with S. Strong regarding hearing, preparation of orders; motion to hold funds.
05/03/06 L Jenkins	.30	Conferences with S. Strong regarding further pleadings to file and progress of hearing.
05/03/06 L Jenkins	1.50	Draft motion to hold cash.

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05/03/06 S Strong	.80 Confer with L. A. Jenkins regarding status motion and memorandum of law for permission to hold funds (0.3); exchange emails with J. McPherson regarding same (0.1); Telephone conference with A. W. Jarvis regarding results of todays hearing on various motions, and strategies and planning for next tasks (0.4).
05/03/06 C Hurst	1.70 Update files with Notices of Appearance and requests for notice (.2); follow up on pleadings forwarded (.2); complete labels for U.S. Trustee and correspond with Schwartz and McPherson on same (1.3).
05/03/06 P Paralegal	7.00 Print Pacer documents and organize bankruptcy files.
05/04/06 A Jarvis	.50 Responses to investor inquiries.
05/04/06 A Jarvis	.50 Review pleadings regarding Motion to Temporarily Hold Funds.
05/04/06 L Jenkins	.20 Conference with A. Jarvis regarding report on yesterday's hearing.
05/04/06 L Jenkins	.40 Read cases regarding hold cash research.
05/04/06 L Jenkins	1.30 Draft motion and memo to temporarily hold cash.
05/04/06 L Jenkins	.20 Telephone conference with M. Pugsley and M. Olsen regarding discussion of course of Section 341 meeting.
05/04/06 L Jenkins	1.80 Draft motion to hold cash.
05/04/06 L Jenkins	1.50 Draft motion to hold cash.
05/04/06 L Jenkins	1.20 Read cases and draft motion to temporarily hold cash.
05/04/06 B Kotter	.20 Conference with AW Jarvis regarding research into committee appointments under 1102(a)(1) and (a)(2) (.2).
05/04/06 S Strong	1.40 Telephone conference with M. Kehl regarding information requested by investors attorney, and draft email to J. Chubb regarding same (0.3); review all matters set or to be set for hearings on May 18 or June 2, exchange

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emails with J. McPherson and S. Smith regarding same, and confer with A. W. Jarvis regarding same (0.6); telephone conference with J. McPherson regarding noticing for same, and review noticing requirements (0.2); communications with local counsels office and A. W. Jarvis regarding alternative hearing dates for early June and implications for giving notice (0.3).

05/05/06 A Jarvis	.30	Correspondence with S. Smith regarding information for U.S. Trustee.
05/05/06 A Jarvis	2.60	Draft motion to hold funds pending initial investigation; review case law regarding same.
05/05/06 A Jarvis	.50	Telephone calls with S. Strong regarding motion to hold funds, stay violations, DIP financing issues.
05/05/06 A Jarvis	.30	Telephone conference with S. Strong regarding drafting of orders.
05/05/06 A Jarvis	1.50	Review and revise motion to hold funds; telephone conference with S. Strong regarding same.
05/05/06 L Jenkins	.40	Conferences with S. Strong regarding DIP Financing and other motions to file next week.
05/05/06 B Kotter	3.40	Legal research on committee issues under 1102 (1.8); draft proposed orders and employment of time for schedules (.6); and to pay pre-petition wages (.7); and cash management order (.3).
05/05/06 S Strong	3.90	Review voice message from A. W. Jarvis regarding edits needed to motion to hold funds (0.2); review and revise draft of motion/memorandum for authority to hold investor funds (0.8); confer with L. A. Jenkins regarding same (0.2); follow-up telephone conferences with A. W. Jarvis regarding same (0.4); send email to A. Jarvis with drafts of motion and memorandum to hold investor funds (0.1); exchange emails with J. Chubb regarding





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investor information requests (0.2); work on proposed orders on motions granted at 5/3 hearing (0.5), and confer with B. Kotter regarding assistance needed with same (0.3); review drafts of proposed orders, and forward to local counsel for filing (0.2); participate in conference call with J. McPherson, S. Smith and BMC team regarding status of various motions to be noticed in second mass mailing to all parties in interest and details for Mondays mailing (0.5); telephone call with M. Kehl regarding issues in documentation needed regarding IP (0.2); review proposed Joint Administration order and send comments and approval to J. McPhearson (0.3).

05/06/06 A Jarvis	4.60	Draft motion to hold funds pending initial investigation; revise same; draft memo to working group regarding comments on same.
05/06/06 A Jarvis	1.20	Correspondence regarding responses to investor inquiries, issue with respect to automatic stay, funding of developers.
05/08/06 A Jarvis	.40	Correspondence and conferences with S. C. Strong regarding noticing issues.
05/08/06 A Jarvis	1.50	Prepare Motion to Hold Funds.
05/08/06 L Jenkins	1.70	Read and comment on draft of A. W. Jarvis' revisions to motion to hold cash temporarily; review cases relied upon.
05/08/06 L Jenkins	.20	Conference with S. Strong regarding revised motion to hold cash.
05/08/06 L Jenkins	.20	Conference with M. Pugsley regarding issues relating to negotiated payoffs from borrowers.
05/08/06 B Kotter	4.90	Legal research on 1102(a)(1) and (a)(2) committee issues and draft email regarding research to AW Jarvis.
05/08/06 D Monson	.20	Review e-mails on pro hac vice application for Nevada Bankruptcy Court, and begin filling in information for pro hac vice application (0.2).

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05/08/06 S Strong	6.30	Analysis for and preparation of proposed order on cash management/usage (1.4); review docket and status of motions and pending orders to be submitted today (0.4); exchange emails with BMC regarding same (0.2); confer with A. W. Jarvis regarding status of motions to be filed and notice of hearings to go out today, telephone conference with A. Jarvis and J. McPherson regarding same, and review proposed Notice of Hearings (0.9); confer with A. Jarvis and M. Kehl regarding edits needed to draft of Motion to Hold Cash, work on various edits, confer with A. Tsu regarding cite-checking of case authority for motion, further revisions to motion, and circulate revised draft to A. W. Jarvis for review (2.8); make final edits to Motion to Hold Cash and transmit to local counsel for filing (0.6).
05/08/06 A Tsu	1.30	Key citing cases for debtors' motion to temporarily hold funds pending a determination of proper recipients and memorandum of points and authorities.
05/08/06 C Hurst	1.70	Download ECF registration forms; review same; contact Nevada Bankruptcy Court ECF clerk regarding requirements and procedures (.7); prepare Petitions to Practice in Nevada for Steve Strong and D. M. Monson (1.0).
05/08/06 C Hurst	.80	Return call to attorney representing investors; print off pleadings requested; confirm hearings on May 18th; prepare transmittal letter (.5); review updated dockets on BMC (.3).
05/08/06 P Paralegal	2.00	Print Pacer documents and organize bankruptcy files.
05/09/06 L Jenkins	.50	Read LePome objection to estate holding funds pending report.
05/09/06 D Monson	.30	Finalize Pro Hac Vice Petition for admission to Bankruptcy Court for purposes of these cases (0.3).

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05/09/06 S Strong	1.50 Review docket and final versions of motions filed yesterday, and review Joint Administration Order entered today (0.6); exchange emails with C. Hurst regarding service list issues (0.2); discussions with A. W. Jarvis regarding responses needed to various motions filed, and other action items for case administration in coming days (0.2); exchange various emails with M. Olson, M. Kehl and A. Jarvis regarding investor interest rate and servicing fee issues (0.5).
05/09/06 C Hurst	.50 Emails with S&M regarding service on Nevada State Bar (.2); receipt, review of incoming pleadings and Order of Joint Administration (.3).
05/10/06 K Glade	2.00 Status telephone conference call regarding pending matters (1.4); telephone calls regarding Security Agreement from USA Investment Partners (0.6);
05/10/06 A Jarvis	1.40 Conference call with working group.
05/10/06 A Jarvis	.30 Correspondence regarding meeting with investors.
05/10/06 A Jarvis	.30 Correspondence on interim payment motion.
05/10/06 A Jarvis	.30 Correspondence on press release.
05/10/06 A Jarvis	.50 Draft agenda for working group conference call.
05/10/06 A Jarvis	.20 Conference with C. Hurst regarding calendaring of motions.
05/10/06 D Monson	.30 Review e-mail from A. Jarvis and telephone call to M. Kehl on storage unit access issue, and review e-mail from M. Olson (0.2); telephone message to G. Welsh, Storage One, on storage unit access issue (0.1).
05/10/06 S Strong	2.70 Review recent news articles in Las Vegas press, and exchange emails with A. W. Jarvis regarding inaccuracies (0.3); voice message to M. W. Pugsley regarding same, and review email from him to Mesirow team regarding same (0.2);

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confer with A. Tsu regarding need to review docket and calendar response/reply deadlines for various motions (0.2); t/c w/ investor regarding case information and issues (0.1); review emails from investor and from M. Olson regarding assignee funds relating to Investor Account and exchange emails with A. W. Jarvis regarding moving forward to resolve this issue (0.3); confer with A. Jarvis and exchange emails with her to develop agenda for working group call with RQN, Mesirow, and S-M teams (0.2), and participate in conference call with same to discuss status and plans for various current issues (1.4).

05/10/06 S Tingey	1.00	Conference with A. W. Jarvis, M. Kehl, S. Smith, K. G. Glade regarding case administration.
05/10/06 C Hurst	.20	Receipt of updated addresses for master service list compare with current list (.2).
05/11/06 C Hurst	3.60	Office conference with S. Strong and A. W. Jarvis regarding creditor/investor committees - review of largest investor lists (.2); return call to investor (.2); office conference with S. Strong regarding calls for motions to be heard on 5/18; access docket and download all pleadings; create packet and forward to investor (1.5); email to BMC contact regarding address updates (.3); begin work on 5/18 hearing binder for A. W. Jarvis (1.4).
05/11/06 P Paralegal	6.00	Print Pacer documents and organize bankruptcy files.
05/12/06 A Jarvis	.50	Conference call with working group regarding case organization, strategy.
05/12/06 B Kotter	1.00	Work on identifying upcoming motions and hearings and prepare hearing binders.
05/12/06 D Monson	.20	Discuss office space assumption and rejection issues with S. Tingey (0.2).

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05/12/06 E Monson 4.30 Review motion to permit closings to occur in ordinary course (.3); review numerous emails regarding pleadings filed and various issues in case (.9); review email from T. Allison regarding Devin Lee (.1); review pleadings on motion to force Fidelity disbursement (.2); review various opposition pleadings filed to the debtor's motions (1.0); review status of appointment of creditor committees (.2); review motion for relief to appoint a new servicing agent and for payment to direct lenders (.3); conference with DM Monson and SC Strong regarding motions filed by R. LePomme and research and respond thereto (.5); review email from AW Jarvis on assignment list (.1); get copies of motions filed by R. LePomme for review (.2); review various emails and take action to start updating master mailing matrix (.5).

05/12/06 S Strong 2.00 Review various USA emails (0.2); review electronic docket and new motions filed by investors (0.4); confer with A. Tsu regarding docket review and calendaring of deadlines for responses and replies to motions (0.1); confer with A. W. Jarvis and C. Hurst regarding all matters to be heard 5/18/06 and preparation of hearing binders for same (0.2); further analysis of same (0.4); confer with A. W. Jarvis regarding various assignments for RQN professionals for various pending matters, and exchange emails with A. W. Jarvis regarding same (0.5); confer with E. A. Monson regarding updating Master Service List and related issues (0.2).

05/12/06 A Tsu 3.60 Reviewing dockets in USA.

05/12/06 C Hurst 5.20 Access all dockets; review and download pleadings for 5/18/06 hearing binder; review for pertinent objections, reponses; compare against Court calendar and finalize index for hearing binder (4.7); receipt of address change requests and emails regarding service lists; update files (.5).

05/13/06 A Jarvis .70 Telephone conferences with investor regarding investor issues.



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05/15/06 K Glade	2.20	Status telephone call with bankruptcy team (1.2); telephone call with J. Milanowski and his counsel regarding IP documents (0.8); follow-up call with M. Kehl (0.2).
05/15/06 A Jarvis	1.20	Conference call with working group regarding course of action, pending and expected motions, strategy.
05/15/06 A Jarvis	.30	Correspondence regarding updated mailing matrix.
05/15/06 A Jarvis	.60	Correspondence regarding issues to be addressed at 341 meeting.
05/15/06 A Jarvis	.40	Correspondence on violation of stay issues regarding guaranty.
05/15/06 A Jarvis	.70	Correspondence on matters for hearing; prepare for same.
05/15/06 A Jarvis	1.00	Correspondence and conference call on pledge agreement, committee meetings.
05/15/06 B Kotter	2.10	Legal research on committee appointment and retention issues under subsection 1102.
05/15/06 E Monson	5.20	Research on note transfer issues (3.0); discussion with C. Hurst regarding updates to master mailing matrix (.2); review motion of limited notice to verify all parties to be included in matrix (.2); review motion to pay due diligence expenses and opposition thereto (.3); additional conference with C. Hurst and review changes to master mailing matrix (.2); conference call with C. Hurst and J. Skidmore of BMC regarding master mailing matrix and future updates thereto (.5); discussion with SC Strong regarding master mailing matrix (.2); draft email and send to Schwartz's office, RQN attorneys, and Mesirov team requesting information on any changes to be made to the master mailing matrix (.2); conference with DM Monson on research in connection with drafting responses to LePomme motions (.4).

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05/15/06 S Strong	1.80	Exchange emails with M. Kehl and A. W. Jarvis regarding motions set for hearing 5/18 (0.2); confer with E. A. Monson regarding updating master service list and coordinating and maintaining updates (0.2); participate in conference call with A. W. Jarvis, K. G. Glade, Mesirow team, J. McPherson and L. Schwartz regarding various pending matters (1.2).
05/15/06 A Tsu	.20	Revising USA scheduling deadline chart to include recently filed motions.
05/15/06 C Hurst	5.00	Access docket; download oppositions to employ legal counsel; update 5/18 hearing binder (1.0); office conference with E. A. Monson regarding master service list, necessary updates thereto (.1); download recent notices of appearance and office conference with Kay Carleson regarding identifying and printing all requests for notice (.3); work on updated/amended master service list (3.2); office conference with E. A. Monson and conference call with BMC regarding master service list and BMC's Rule 2002 list (.4).
05/15/06 P Paralegal	3.20	Organize bankruptcy files; arrange for copies of all Notices of Appearance/Requests for Notice.
05/16/06 A Jarvis	.30	Correspondence on issues to be covered in 341 meeting.
05/16/06 A Jarvis	7.00	Prepare for 341 meeting; review objections to motion; review case law in preparation for hearing; prepare declaration of T. Allison in support of various motions; prepare responses to pleadings.
05/16/06 E Monson	.20	Discussion with C. Hurst regarding changes to master mailing matrix (.2).
05/16/06 C Hurst	3.20	Office conference with E. A. Monson regarding further changes to master service list; access and download BMC Rule 2002 list for comparison (.4); review master service list per discussions and comparisons with BMC service lists and notices received by S&M (2.8).



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05/16/06 C Hurst	.30	Conference with staff and review S. Strong's ECF Application and Pro Hac Vice Application.
05/17/06 A Jarvis	.30	Telephone conference with L. Schwartzer regarding 341 meeting.
05/17/06 A Jarvis	5.00	Prepare for and attend 341 meeting.
05/17/06 A Jarvis	2.50	Meeting with T. Allison, M. Kehl, S. Smith and investor regarding investor concerns, addressing investor needs.
05/17/06 C Hurst	1.20	Review final revisions to master service list; email memo to E. A. Monson and S. Strong regarding updated master service list (.4); office conference with E. A. Monson regarding same (.2); update, organize files (.3); letter to Nevada Bankruptcy Court transmitting S. Strong ECF Registration (.3).
05/17/06 C Hurst	1.00	Receipt and review S. Strong's and D. M. Monson's Verified Petitions to Practice and draft Designation of local counsel for D. M. Monson (.5); revise, finalize Verified Petitions for Permission to Practice (.5).
05/18/06 E Monson	4.30	Review motions filed by R. LePomme on behalf of Stanley Alexander Trust and Kenning regarding return of funds (.3); research on when note is transferred for purpose of responding to LePomme motions and similar matters (3.1); conference with DM Monson and SC Strong regarding responses to LePomme motion and drafting motion for DIP financing (.2); review motion to hold funds pending determination of recommendation as to distribution of funds (.3); conferences with SC Strong regarding outcome of motions at Omnibus hearing and course of action in light of outcomes (.2); review limited objection to motion to temporarily hold funds (.2).
05/18/06 A Tsu	.30	Reviewing amended case management order for changes and updating.

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- 05/19/06 E Monson      6.80 Research and review cases on when an assignment of a note becomes effective (3.8); conference with AW Jarvis regarding events at Omnibus hearing and future course of action (.5); review voice mail and email from E. Vrato of BMC and send reply (.2); review email on proposed order to limit notice and update master service list and send reply (.2); revise master service list to conform to court order (.2); revise and note comments to supplemental order on case management procedures, order granting applications to employ Ray Quinney & Nebeker and Schwartzter, and order limiting notice (.5); review motion for relief to terminate loan servicing agreement for direct loan to Boise/Gowan and declaration (.4); work on outline of funds and legal points for motion on investor funds being held in investor account (.9).
- 05/19/06 S Strong      6.90 Meet with A. W. Jarvis, D. M. Monson and E. A. Monson to discuss results of yesterdays hearing on various motions and assignments for moving case forward (0.7); review proposed orders prepared by L. Schwartzter (0.2); confer with E. A. Monson regarding more work needed on Master Service List, and review follow-up emails from E. A. Monson, S. Smith, and L. Schwartzter regarding electronic notice issues (0.3); exchange emails with A. W. Jarvis and J. McPherson regarding Committees request for service list (0.2); review and analysis of chart prepared by Mesirow regarding assignors/assignees as to \$1.9 million in Investor Account and other relevant assignment documents (0.4); various Telephone conferences with S. Smith to discuss issues concerning amount in Investor Account and 3 motions filed requesting release of funds (0.7); analyze additional assignments and related information send by S. Smith relating to assignors and assignees as to Investor Account (0.6); analysis for and drafting of Opposition to 3 motions requesting release of funds, and circulate

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draft for review by A. W. Jarvis and Mesirow team (3.1); review and analysis of Canepa RFS motion filed today and case law cited therein (0.9).

05/20/06 A Jarvis	.60	Correspondence with M. Kehl regarding meeting with committees.
05/22/06 A Jarvis	.30	Telephone conference with M. Kehl regarding cash management motion, budget, professional fees.
05/22/06 A Jarvis	1.00	Conferences with S. C. Strong regarding response to pending motions, assignment issues, stay, motion to temporarily hold funds.
05/22/06 A Jarvis	.40	Correspondence with investors.
05/22/06 A Jarvis	.50	Review and revise memo regarding process of determining investor information.
05/22/06 E Monson	3.20	Review objection to combined opposition to investor funds motion (.4); discuss comments to objection with SC Strong (.2); draft emails to AW Jarvis regarding orders limiting notice and employment applications (.2); discussion with C. Hurst regarding order limiting notice and master service list (.2); review motion to direct payment to direct lenders and to prohibit appraisals (.4); review motion for relief by direct lenders to appoint new servicing agent (.3); discussion with AW Jarvis regarding comments to Orders (.2); work on outlining arguments in opposition to motion for stay and direct payment motion filed by direct lenders (1.3).
05/22/06 S Strong	1.50	Review email from S. Smith regarding details of investor/loan reconciliation process, and exchange follow-up emails with her regarding same (0.2); telephone conference with J. McPherson regarding committees' request to post information on USA website, and exchange emails with A. W. Jarvis regarding same (0.2); confer with E. A. Monson regarding response deadline and strategy for motions filed by un-named "direct lender beneficiaries" (0.3); meet with

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A. W. Jarvis to discuss status and action plans regarding all pending matters (1.0).

- 05/22/06 S Strong      4.90 Confer with E. A. Monson regarding her comments on draft Opposition to 3 motions for release of funds from Investor Account (0.2); review email from, and teleconference with, M. Kehl regarding same (0.1); work on Declaration and exhibits in support of USA's Opposition to 3 motions and revise and expand Opposition (2.4); telephone conferences with S. Smith regarding details and documents relating to Investor Account funds (0.5); circulate Declaration and revised draft of Opposition with comments to A. W. Jarvis, M. Kehl, and S. Smith for review (0.2); confer with A. W. Jarvis regarding her final comments to draft of Opposition (0.1); telephone conference with S. Smith regarding her final comments to draft of Opposition (0.1); telephone conference with J. McPherson regarding preparation for filing of Opposition and supporting documents (0.2); exchange emails with A. W. Jarvis and J. McPherson regarding submitting Declaration separately tomorrow (0.1); exchange emails with L. Schwartz regarding case cite for Opposition (0.1); telephone conference with J. McPherson regarding final changes to Opposition for filing today (0.2); review and revise Declaration in support of Opposition to conform final changes, review and prepare exhibits A through G to Declaration, and transmit to J. McPherson and Mesirow team for filing with Declaration tomorrow (0.7).
- 05/22/06 A Tsu      .90 Reviewing incoming message regarding filing deadlines (.1); responding to same (.1); updating response deadline chart (.7).
- 05/22/06 C Hurst      1.90 Receipt, review and respond to numerous emails with requests for information and address changes (1.0); office conference with E. A. Monson regarding master service list - status and coordinating required lists with BMC (.5); office conference with S. Strong regarding Petition for Admission to Practice and Designation of Local Counsel - verify requirement of client signature (.4).

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- 05/23/06 E Monson 6.10 Work on response to motion to make payments to direct lenders and to prohibit appraisals (4.9); email L. Schwartz regarding issues relating to drafts of orders (.1); discussion with C. Hurst regarding additional changes to Master Service List (.2); review opposition to motion to hold funds filed by R. McKnight (.2); review motion and other pleadings filed by PDG regarding direction as to interest payments (.4); review email from C. Hurst regarding revised master service list (.1); talk to C. Hurst regarding revised master service list and send to L. Schwartz and J. McPherson (.2).
- 05/23/06 S Strong 2.24 Confer with L. A. Jenkins regarding "insider" and "affiliate" issues to be addressed for preparing statements and schedules (0.1); review statute regarding same (0.1); telephone conference with S. Smith regarding same (0.1); review docket and exchange emails with M. Kehl regarding filing of declaration in support of Opposition to motions to disburse Investor Account funds (0.2); confer with E. A. Monson regarding revised Master Service List and related issues (0.2); review and analysis of MORs as filed (0.3); further research of Nevada mortgage broker statutes (1.2), and exchange emails with G. Jolley regarding follow-up research needed (0.2).
- 05/23/06 A Tsu 3.20 Reviewing electronic docket to update deadline schedule and confirm response times; prepare calendar.
- 05/23/06 C Hurst 3.50 Print/review motion regarding Bundy Canyon project; return call (leave message) to investor (.3); office conference with E. A. Monson regarding further revisions to master service list; review docket and correspondence received regarding further requests for notice; update service list and make revisions as instructed by E. A. Monson (3.2).
- 05/24/06 A Jarvis 1.20 Telephone conference with M. Olson and M. Kehl regarding meeting with investors in Reno (.3); correspondence regarding same (.4); conference with S. C. Strong regarding same (.2); e-mail L. Schwartz regarding same (.3).

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05/24/06 L Jenkins .14 Telephone conference with S. Smith regarding insider payments for schedules.

05/24/06 L Jenkins .44 Research issue of insider payments for schedules.

05/24/06 E Monson 8.70 Work on response to motion to pay direct lenders and delay of appraisal (3.0); work on response to direct lenders Motion for Relief (4.5); conferences with S. C. Strong regarding responses to motion (.3); follow up with C. Hurst regarding master service list (.2); review opposition to motion to hold funds and to obtain appraisals filed by Canepa (.3); conference with S. C. Strong and A. W. Jarvis regarding response to motion for relief from stay (.3); review letter to J. Chubb regarding request to identify direct lenders (.1).

05/24/06 S Strong 3.04 Review voice messages from A. W. Jarvis regarding various case administration issues (0.1); voice message to J. McPherson regarding interpleader action (0.1); confer with A. W. Jarvis regarding meetings with Committees and court's directive regarding R. 2019 disclosures for multi-investor representations (0.4); draft letter to J. Chubb regarding R. 2019 disclosure requested in connection with Motions filed by unidentified Direct Lenders (0.8); confer with A. W. Jarvis regarding same (0.1); revise and finalize letter, and oversee transmittal (0.2); confer with E. A. Monson regarding progress and issues in drafting Opposition to motions by unidentified J. Chubb clients (0.4); meet with G. Jolley to discuss further research needed on Nevada mortgage broker statutes (0.2); review and edit E. A. Monson's draft of Opposition to motions by J. Chubb clients to release funds and prohibit appraisals (0.6).

05/24/06 S Strong 3.60 Review and analysis of all objections filed to date to debtors' Motion to Hold Funds, and research legal issues raised therein (2.9); confer with A. W. Jarvis regarding strategies and issues for moving cases forward to prompt completion (0.7).

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05/24/06 G Jolley .30 Meeting with S. Strong regarding research project on Nevada Statute.

05/24/06 C Hurst 3.40 Letter to Monty Kehl regarding S. C. Strong and D. M. Monson Pro Hac Vice Petitions; package and send same; email same to Schwartzner and McPherson (.8); update, organize working files on service lists; communications with investors and creditors (2.0); email to Schwartzner & McPherson regarding master service list (.1); create document list member of appointed committees (.5).

05/25/06 A Jarvis .40 Correspondence on continuance of motion to hold funds.

05/25/06 E Monson 9.40 Work on opposition to Direct Lenders Motion for Relief from Stay (4.9); further review of Motion for Relief and accompanying documents (.9); research on business judgment rule (.8); review e-mail from L. Schwartzner regarding mailing matrix and send reply (.2); follow up with C. Hurst regarding issues on mailing matrix (.3); research on "case" under subsection 362(d) (1.9); review response from J. Chubb on who she represents (.1); discussion with A. W. Jarvis regarding responses to motions and review e-mails from A. W. Jarvis regarding arguments in motions (.3).

05/25/06 S Strong 1.44 Confer with E. A. Monson regarding arguments in opposition to motion by unidentified direct lenders for relief from stay to terminate LSAs (0.2); research regarding relief from stay to terminate contracts with debtor (0.6); exchange emails with J. Oriti regarding listing of lawsuits for statement of affairs, and review preliminary information re same (0.3); review LSAs with Funds, and exchange emails with A. W. Jarvis regarding same (0.2); analysis of Reply filed by R. LePome clients re debtor's motion to hold funds (0.3).

05/25/06 G Jolley 1.60 Research regarding Nevada Mortgage Broker Statute.



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05/25/06 C Hurst	1.30 Further additions, revisions to master service list; emails to E. A. Monson and Angela (Schwartzter & McPherson) regarding same.
05/26/06 A Jarvis	.60 Conference with M. Kehl regarding cash management motion, budget (.3); conference with S. C. Strong regarding cash management motion (.3).
05/26/06 A Jarvis	.50 Correspondence with investors.
05/26/06 E Monson	8.60 Work on response to motion for relief from stay filed by Direct Lenders (4.6); review e-mail from L. Schwartzter regarding filing of responses to Chubb motions (.1); research and review Nevada cases involving contract interpretation (1.0); shepardize cases in response to motion for relief (.3); review e-mail from L. Schwartzter regarding mailing matrix and follow up with C. Hurst (.2); review opposition to appraisals (.2); review letter from Jones Vargas outlining Direct Lenders represented (.1); work on revising response to motion to pay direct lenders and prohibit or delay appraisals (2.1).
05/26/06 S Strong	3.18 Confer with A. W. Jarvis and E. A. Monson regarding status of Oppositions to motions filed by J. Chubb clients (0.2); review and edit current draft of Opposition to RFS stay motion, and discuss changes with E. A. Monson (0.6); review revised drafts of Opposition to combined motion to hold funds and prohibit appraisals, and discuss final edits with A. W. Jarvis and E. A. Monson (0.4); exchange emails with local counsel's office regarding filing same (0.1); review and analysis of additional objections received to Motion to Hold Funds, and research legal issues for Reply Brief (1.1); discussions with A. W. Jarvis regarding possible continuance of hearing on same and review related emails (0.2); exchange emails with M. Kehl regarding individual attorneys of committee members (0.2); review email from A. W. Jarvis regarding committees' decision to hire separate professionals, and confer with



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her regarding implications of same (0.3); confer with A. W. Jarvis regarding need to renew motion to use cash, and review status of current order and budget (0.4).

05/26/06 G Jolley	.60	Research legislative history for Nevada Mortgage Broker Statute.
05/26/06 C Hurst	.90	Return phone calls to investor inquiries (.6); letter to Schwartz & McPherson with Pro Hac Vice Admission Fees (.3).
05/30/06 K Glade	.20	Telephone call regarding investor in HFA North Yonkers loan (0.2).
05/30/06 A Jarvis	.30	Correspondence with investors.
05/30/06 A Jarvis	.50	Correspondence and conference with S. C. Strong regarding cash management motion.
05/30/06 A Jarvis	.30	Correspondence on subpoena, information request.
05/30/06 E Monson	2.40	Review Jones Vargas objection to motion to temporarily hold funds (.3); review First Trust Deed Committee's Response to motion to temporarily hold funds (.2); review opposition to motion to hold funds by Committee of Exec. contracts (.2); review Mt. West Mortgage motion to temporarily hold funds (.2); review e-mails, field telephone calls and work on review of various oppositions and motions filed in case (1.5).
05/30/06 S Strong	4.18	Review electronic docket and outline all items set for hearing on 6/5/06 (0.3); confer with C. Hurst regarding preparing hearing binder for same (0.1); email to A. W. Jarvis regarding same (0.1); work on drafting Motion for Continued Use of Funds (2.1); circulate draft to Mesirow, S-M, and A. W. Jarvis with comments (0.1); Telephone conference with M. Kehl regarding same (0.1); exchange emails with A. W. Jarvis regarding filing Motion today (0.1); exchange emails with J. McPherson regarding same (0.1); review Opposition to Motion to Hold Cash filed by Mountain West Mortgage (0.1), review impact of same on PDG stipulation and motion, and review status of same (0.3);

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discuss same with A. W. Jarvis (0.2); review emails from A. W. Jarvis regarding same (0.1); continue analysis of issues raised by Canepa RFS motion and possible responses thereto (0.2); meet with G. Jolley to discuss his research on Nev. Mortgage Broker statute (0.3).

05/30/06 G Jolley	2.80 Research legislative history for Nevada Mortgage Broker Statute; meet with S. Strong to report on research performed.
05/30/06 C Hurst	6.10 Access dockets; download pleadings relating to motions scheduled for June 5 and begin trial notebook organization.
05/31/06 A Jarvis	.30 Conference with S. C. Strong regarding meeting with investors.
05/31/06 A Jarvis	.30 Conference with S. C. Strong regarding updated loan information filing.
05/31/06 A Jarvis	.90 Correspondence with various parties regarding agreement to request extension of hearing on motion to hold funds, related motions.
05/31/06 A Jarvis	.50 Correspondence regarding loan schedules to be filed.
05/31/06 A Jarvis	.30 Correspondence with S. C. Strong regarding follow up on filing of 2019 statements.
05/31/06 E Monson	.30 Review e-mail from E. Vrato on master service list and follow up with C. Hurst (.3).
05/31/06 S Strong	3.10 Telephone conference with J. McPherson regarding various administrative issues (0.3); review emails regarding pro hac admission papers for S. C. Strong and D. M. Monson (0.1); meet with D. M. Monson to discuss issues for Reply regarding DIP work fees (0.3); meet with A. W. Jarvis, D. M. Monson and E. A. Monson to discuss strategies for drafting various reply memoranda due this week and coordination of legal theories (1.2); review detailed summary from 5/25 lenders meeting in Reno, and exchange emails with A. W. Jarvis regarding same (0.3); Telephone conference with J. McPherson regarding stipulation needed to continue

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hearing date on motion to hold funds, as proposed by committees and J. Chubb (0.3); exchange various emails with A. Jarvis regarding same (0.2); review emails and proposed stipulation from L. Schwartz regarding same (0.2); exchange follow-up emails with A. W. Jarvis and L. Schwartz regarding same (0.2);

05/31/06 C Hurst      6.40 Further downloading and gathering of pleadings scheduled for 6/5 hearing; work on index hearing binders (6.3); e-mail to Schwartz regarding master service list (.1).

TOTAL FOR LEGAL SERVICES RENDERED

\$86,580.00

# **EXHIBIT B-2**

**RAY QUINNEY & NEBEKER**

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

POST OFFICE BOX 45385

SALT LAKE CITY, UTAH 84145-0385

TELEPHONE (801) 532-1500

FACSIMILE NO. (801) 532-7543

FEDERAL TAX ID NO. 87-0350651

Debtor USA Commercial Mortgage Co., et al.  
Thomas J. Allison 4484 South Pecos Road  
Las Vegas, NV 89121

August 10, 2006  
Invoice No. \*\*\*\*\*

For Legal Services Rendered Through May 31, 2006

**Matter No. 34585-00002**

**Asset Analysis and Recovery**

05/01/06 K Glade	1.10	Draft waiver letter for T. Rondeau's review of IP documentation (0.3); related telephone calls (0.2); telephone calls regarding revisions to IP documents (0.6).
05/01/06 B Kotter	5.00	Legal research for AW Jarvis on participation agreements (.2); legal research and drafting for argument responsive to objections to cash management motion (4.8).
05/01/06 S Strong	.50	Confer with K. Glade regarding loan enforcement problems for fractional investors (0.1); confer with K. Glade regarding limited conflicts waiver for T. Rondeau, and draft email to M. Kehl regarding same (0.2); review draft of conflict waiver letter, and exchange emails with A. Jarvis and K. Glade regarding same (0.2).
05/02/06 K Glade	2.20	Review IP note and Security Agreement (0.9); related e-mail to Mesirow (0.3); review IP UCC search (0.4); additional revisions to IP documents (0.6).
05/02/06 B Kotter	2.30	Legal research on offset and surcharge issues (2.3).

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05/02/06 D Monson .40 Review Loan Servicing Agreement and discuss entitlement to fees issues with S. Strong and S. Clark (0.4).

05/02/06 S Strong .50 Review T. Rondeaus proposed conflicts waiver letter regarding IP and J. Milanowski, and confer with K. Glade regarding same (0.3); review K. Glades drafts of IP collateral documents and explanations (0.2).

05/03/06 B Kotter .60 Conference with SC Strong regarding power of attorney issues and continued legal research regarding same.

05/03/06 S Strong 1.20 Confer with S. Tingey and K. Glade regarding loan review issues and planning for detailed review of all serviced loans (1.2).

05/03/06 S Tingey .30 Conference with K. G. Glade and S. Strong regarding due diligence review of loan file.

05/04/06 S Tingey 1.60 Conference with K. G. Glade regarding loan file analysis (.30); outline loan file analysis and procedure for review (1.1); telephone conference with S. Steele regarding progress made (.20).

05/05/06 K Glade 5.60 Review summaries of loans prepared by Mesirow (2.6); e-mails from J. Reed regarding loan summaries (0.3); telephone calls with J. Reed regarding loan summaries (0.2); prepare worksheets for loan file review (1.3); conferences with S. Tingey regarding loan file review (0.5); telephone calls with M. Kehl regarding status of USA Investment Partners security interest (0.2); e-mails to B. Goold regarding USA Investment Partners security interest and note (0.5).

05/05/06 S Strong 1.00 Meet with K. Glade and S. Tingey to discuss loan review issues (0.4); further analysis of chart with select information from all 115 loans (0.2); discussions with K. Glade and S. Tingey regarding specific loans and problems, and goals of loan review project next week (0.4).

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05/05/06 S Tingey	2.50 Review materials received from J. Reed regarding loan descriptions and status (.20); review materials from S. Steele regarding loan reviews (.50); conference with K. G. Glade regarding same (.40); outline procedures for asset review (.90).
05/08/06 K Glade	7.60 Review mortgage loan files and prepare summaries (7.0); e-mails with B. Goold regarding USA Investment Partners Security Agreement (0.3); related conferences with M. Kehl (0.3).
05/08/06 S Tingey	7.80 Review loan files; various conferences with M. Kehl and J. Reed.
05/08/06 S Tingey	.90 Conference with M. Olson regarding Huntsville; review Huntsville loan documents.
05/09/06 K Glade	1.20 Work on loan file summaries (0.4); telephone calls regarding Investment Partner pledge agreement (0.4); calls regarding offers on Oak Valley (0.4).
05/09/06 A Jarvis	.30 Conference with M. Pugsley regarding IP collateral pledge.
05/09/06 A Jarvis	.30 Correspondence on IP collateral pledge, security agreement.
05/09/06 A Jarvis	.40 Telephone conference with M. Kehl regarding IP Note (.2); conference with K. G. Glade regarding IP Note (.2).
05/09/06 S Strong	1.20 Telephone conference with M. Kehl regarding lien on Gramercy project and ongoing funding needs (0.2); confer with A. W. Jarvis regarding possible solutions to Gramercy funding issues (0.2); confer with D. M. Monson regarding same (0.1); telephone conference with S. Tingey regarding facts and document review needed to analyze same (0.3); email to M. Kehl regarding same (0.1); review email from M. Olson regarding status of securing IP receivable, review press article regarding same, and email to A. Jarvis and M. Kehl regarding same (0.3).

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05/09/06 S Tingey	8.30	Loan review.
05/09/06 S Tingey	.80	Telephone conference with S. Strong regarding Gramercy Court; review Mechanic's Lien issues regarding Gramercy Court; conference with M. Kehl regarding same.
05/10/06 K Glade	4.60	Revise loan file summaries (1.8); review loan files (2.8).
05/10/06 A Jarvis	.20	Telephone conference with M. Pugsley regarding IP security agreement, telephone call to B. Baker regarding same.
05/10/06 S Strong	.40	Telephone conferences with K. Glade and S. Tingey regarding loan review issues (0.2); review and analysis of initial loan summary sheets prepared by K. Glade and S. Tingey (0.2).
05/10/06 S Tingey	4.90	Analyze loan files.
05/10/06 S Tingey	.50	Analyze dispute with borrower (Gramercy Court) regarding partial release.
05/10/06 S Tingey	1.10	Outline defaulted loan procedures; draft form demand letter for matured loans.
05/11/06 K Glade	1.90	Review mortgage loan files and prepare summaries (1.9).
05/11/06 A Jarvis	.80	Review loan information.
05/11/06 D Monson	.20	Review and respond to e-mail from K. Glade on Pledge of USA Investment Partners membership interest (0.2).
05/11/06 S Tingey	5.50	Analyze loan files (5.5).
05/11/06 S Tingey	1.40	Conference with M. Olson regarding problem loan workout policies and procedures (.20); conference with M. Olson regarding Huntsville loan (.30); review information received from borrower on Huntsville loan regarding proposed workout (.90).



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05/12/06 K Glade	.30	Review M. Olson e-mail regarding discussions with J. Milanowski attorney (0.1); related conference with A. Jarvis regarding IP Note and Security Agreement (0.2).
05/12/06 K Glade	1.00	Order title reports on properties held by LLCs in which IP has an interest (0.3); work on USA loan file summaries (0.7).
05/12/06 A Jarvis	.30	Correspondence on IP security agreement.
05/12/06 A Jarvis	.30	Conference with K. G. Glade regarding security interest in IP property.
05/12/06 A Jarvis	.40	Conference with S. C. Tingey regarding loan review, collateral review.
05/12/06 S Strong	.20	Confer with K. G. Glade regarding loan review issues.
05/12/06 S Tingey	.40	Analyze Huntsville workout matter.
05/12/06 S Tingey	.40	Review information regarding Sheraton Hotel loan and workout; communicate with A. Stevens regarding same.
05/13/06 K Glade	1.20	Review J. Milanowski's revisions to IP note and security agreement; draft related e-mail to team regarding nature of changes (1.2).
05/15/06 K Glade	4.00	Telephone call with M. Kehl, T. Allison and A. Jarvis regarding Investment Partner changes to Promissory Note and Security Agreement (0.4); telephone call with M. Kehl to go over Investment Partners changes to Note and Security Agreement (.6); revise Promissory Note and Security Agreement (2.0); subsequent telephone call with M. Kehl (0.2); e-mail to J. Milanowski regarding Note and Security Agreement, telephone call with M. Kehl regarding Note and Security Agreement (0.2); review signed Note and Security Agreement (0.3); review loan commitment on Colt and Windham (0.3).
05/15/06 K Glade	.20	Telephone call with S. Tingey regarding loan summaries (0.2).

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05/15/06 A Jarvis	.40 Conference call with K. G. Glade, M. Kehl and B. Baker regarding IP security agreement.
05/15/06 A Jarvis	.30 Telephone conference with M. Kehl and K. G. Glade regarding IP security agreement.
05/15/06 A Jarvis	.40 Correspondence on IP security agreement.
05/15/06 D Monson	.20 Review e-mails on Community Bank of Nevada letter to USA Commercial as Guarantor of loan, and e-mail to A. Jarvis (0.2).
05/15/06 S Strong	.40 Review emails from K. G. Glade and M. W. Pugsley regarding issues in collateralizing IP receivable (0.1); confer with K. G. Glade regarding same (0.1); Telephone conference with S. Tingey regarding loan review issues (0.1); review revised drafts of collateralization documents prepared by K. Glade (0.1).
05/15/06 S Tingey	8.10 Loan review and analysis.
05/15/06 S Tingey	1.20 Conference with A. Stevens regarding Sheraton loan workout (0.2); memo to B. Kotter regarding same (.1); review file and pleading regarding Sheraton loan (0.6); memo to M. Kehl regarding same (0.3).
05/15/06 S Tingey	.40 Review consent requested by Borrower regarding Palm Harbor loan (0.2); memo to S. Strong and A. W. Jarvis regarding same (0.2).
05/16/06 K Glade	4.10 Draft proposed language for IP pledge agreement (0.2); conference call with Mesirow officers and bankruptcy team regarding IP pledge agreement (0.6); revise IP Note and Pledge Agreement with related conferences with S. Strong (1.9); e-mail to M. Kehl regarding revisions (0.3); telephone call with J. Milanowski's attorney regarding revisions (0.4); subsequent telephone calls with A. Jarvis and M. Pugsley (0.4).
05/16/06 K Glade	.30 Work on loan summaries (0.3).
05/16/06 A Jarvis	.40 Correspondence on pledge agreement.

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05/16/06 S Strong	1.50 Review draft of complaint against IP (0.1); confer with K. G. Glade regarding status of IP collateral documents (0.1); participate in conference call with K. G. Glade, M. W. Pugsley, T. Allison, M. Kehl, and L. Schwartzer regarding same (0.6); review revised drafts from K. G. Glade of same (0.2); confer with K. G. Glade and M. W. Pugsley regarding language for same (0.2); exchange emails with P. Alexander regarding USAs demand for performance under PDG stipulation to release interest reserves (0.3).
05/16/06 S Tingey	7.70 Review of loan files and issues (6.7); communicate with T. Berry regarding Gramercy Court issue (0.1); review proposed consent and condo declarations regarding Palm Harbor (0.8); communicate with T. Berry regarding same (0.1).
05/16/06 E Toscano	1.10 Meeting with Kevin Glade concerning updated title reports; review file and existing title policies; commence research to locate title companies; commence phone calls to title companies for title report updates.
05/17/06 K Glade	1.00 Email to B. Baker regarding IP documents (0.2); add bankruptcy language to IP documents (0.3); related conferences (0.4); finalize new IP documents (0.1).
05/17/06 K Glade	.50 Preparations for loan file review (0.3); telephone call with S. Tingey (0.2).
05/17/06 A Jarvis	.30 Conference with K. G. Glade regarding IP receivable.
05/17/06 S Strong	.50 Confer with K. G. Glade regarding bankruptcy approval language needed for IP collateral documents (0.1); draft proposed language, and discuss with K. G. Glade (0.2); review revised drafts of IP collateral documents (0.2).
05/17/06 S Tingey	5.00 Conference with A. Stevens regarding Colt loans and request from borrower (0.2); review Colt loan document regarding request from borrower (0.8); conference with A. Stevens (0.1); review loan files (3.9).

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05/17/06 E Toscano	1.20 Continue work on locating and contacting various title companies and contacts in order to obtain updated title reports, tract index searches, or litigation guarantees.
05/18/06 K Glade	2.30 Review mortgage loan files (2.0); revise loan summary write-ups (.3).
05/18/06 K Glade	3.50 Review loan documents and promissory notes to address default interest issue (2.8); related conferences with M. Kehl and S. Steele (0.4); email to B. Baker regarding IP signatures (0.3).
05/18/06 A Jarvis	.50 Telephone conference with K. G. Glade regarding IP receivable, due diligence.
05/18/06 S Tingey	.20 Conference with K. G. Glade regarding loan review and administration issues.
05/18/06 E Toscano	2.10 Continue investigations to track down appropriate title insurance companies, contacts and phone numbers; continue phone calls to get updates on title reports; emails with contacts at various title companies; meeting with Steve Tingey regarding update on the status of matter.
05/19/06 K Glade	4.50 Review mortgage loan files and prepare summaries (4.3); related telephone call with S. Tingey (0.2).
05/19/06 A Jarvis	1.20 Correspondence with M. Pugsley regarding IP security agreement (.6); conference with T. Allison regarding security agreement (.3); conference with L. Schwartz regarding IP security agreement (.3).
05/19/06 S Strong	.30 Review revised versions of promissory note and security agreement to collateralize IP debt (0.2); exchange emails with K. G. Glade and A. W. Jarvis regarding same (0.1).

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05/19/06 S Tingey	1.50 Review updated title report on ICCS and Frank Strath issues (.4); review of loan file analysis and issues (05.); review 10-90 loan documents (02.); review Colt Gateway issue (02.); communicate with Kevin Glade regarding same (02.).
05/19/06 E Toscano	1.20 Review emails from Jean Makas and Gail Torino regarding title report updates and tract searches; draft responses to J. Makas and G. Torino; draft fax and cover letter to J. Makas; follow up on reports from other title companies with phone calls and emails; locate appropriate contacts at title companies.
05/22/06 A Jarvis	.50 Correspondence on IP security interest, records.
05/22/06 E Toscano	2.00 Numerous telephone calls with various title companies regarding updated reports; review commitments, updated reports, etc.; meetings with Doug Monson, Steve Tingey and Annette Jarvis regarding title reports and releases; update file.
05/23/06 K Glade	1.60 Email regarding HMA payoff (0.2); email list of HMA loan requests (0.2); email regarding assignment documents on proposed HMA payoffs (0.2); review assignment documents and related loan documents on HMA loans (0.6); conference with S. Strong and D. Monson regarding mortgage release issues (0.4).
05/23/06 S Strong	.50 Review and analysis of spreadsheet from S. Smith showing post-petition loan payments made and calculating servicing fees earned.
05/23/06 S Tingey	2.20 Review and revise Equipment Lease and Transaction Agreement issued with IP: (0.8); review Helsey Canyon/Los Vallos loan issue (0.7); telephone conference with S. Smith regarding same (0.2); review loan services issue relating to Funds (0.5).
05/24/06 A Jarvis	.40 Telephone conference with M. Kehl regarding IP issues, committee issues.

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05/24/06 A Jarvis .90 Correspondence regarding security agreement (.5); conference with S. C. Strong regarding same (.4).

05/24/06 S Strong .80 Meet with K. G. Glade and A. W. Jarvis to discuss proposed payoff of certain HFA loans and related issues (0.5); follow-up discussions with K. Glade and S. Tingey regarding same (0.2); review voice message from M. Kehl HFA payoffs (0.1).

05/24/06 S Tingey 3.20 Review title information regarding Ocean Atlantic loan (.3); review loan servicing issues regarding USA and funds (.3); conference with K. G. Glade regarding same (.2); telephone conference with M. Kehl regarding HFA loan issue (.2); conference with K. G. Glade and A. W. Jarvis regarding same (.3); telephone conference with HFA attorney (.2); review loan servicing agreement regarding HFA loan issues (.5); review and revise Equipment Lease and Transition Agreement regarding USA Investment partners (1.2).

05/25/06 K Glade .30 Review updated title reports (0.3).

05/25/06 A Jarvis .50 Correspondence regarding IP issues, security agreement.

05/25/06 S Strong .50 Confer with A. W. Jarvis regarding possible action against IP and its principals (0.1); confer with K. G. Glade regarding same (0.1); review early draft of complaint from L. Schwartzer regarding same, forward to A. W. Jarvis, and discuss same with her (0.3).

05/25/06 E Toscano .60 Telephone calls to Amy Owens at Fidelity National Title; email from Steve Tingey regarding issues with the report on the Ocean Atlantic property; calls and emails with Jean Makas; continue with phone calls; update file.

05/26/06 K Glade .30 Review updated title reports on selected projects (0.3).

05/26/06 A Jarvis .30 Correspondence on IP security agreement.

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05/30/06 A Jarvis	.30	Conference call with S. C. Strong regarding IP issues.
05/30/06 A Jarvis	.20	Correspondence with T. Allison regarding settlement discussions with Ashby.
05/30/06 E Toscano	.20	Review correspondence and tract index search from Property Insight, LLC.
05/31/06 K Glade	.60	Work on loan file summaries (0.4); review telephone reports (0.2).
05/31/06 A Jarvis	1.20	Correspondence regarding discussions with Ashby regarding repayment of loans (.4); conference with T. Allison regarding discussions with Ashby regarding loans (.4); telephone conference with T. Allison regarding Ashby proposal (.4).
05/31/06 A Jarvis	.30	Telephone conference with T. Allison regarding issues involving Ashby loans.
05/31/06 A Jarvis	.30	Telephone conference with T. Allison regarding meeting with J. Milanowski, IP issues.
05/31/06 A Jarvis	.30	Telephone conference with K. G. Glade regarding IP pledge.
05/31/06 E Monson	.40	Meet with K. G. Glade and go over chart of appraisal information on properties securing loan (.2); draft e-mail to Monty Kehl regarding appraisal information needed (.1); review e-mail from Monty Kehl regarding appraisal information and send reply (.1).
05/31/06 S Strong	1.80	Telephone conference with S. Smith regarding updated Loan Summary (0.2); review draft of same and send comments to S. Smith (0.3); review revised draft and Telephone conference with S. Smith to discuss presentation issues for Loan Summary (0.2); review near final draft of preliminary Loan Summary, prepare notice of filing for same and transmit to local counsel, and transmit final version of preliminary Loan Summary for filing (1.1).
05/31/06 S Tingey	.40	Additional loan file analysis and review.

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TOTAL FOR LEGAL SERVICES RENDERED

\$42,592.00